

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2009-498-E - ORDER NO. 2009-913(A)

JANUARY 5, 2010

IN RE: Petition of South Carolina Electric & Gas)	AMENDED ORDER
Company for an Accounting Order (City of)	AUTHORIZING SCE&G
Columbia))	TO RECORD PAYMENTS
)	TO THE CITY OF
)	COLUMBIA TO THE
)	REGULATORY ASSET
)	ACCOUNT

This Order amends Commission Order No. 2009-913 to include certain language to fully address SCE&G's request in this docket, due to the failure of Order No. 2009-913 to specifically reference the Commission's disposition of the possible accrual of gain from the subject transaction. Accordingly, we are issuing this Amended Order which corrects the omission by insertion of the penultimate sentence in the third paragraph following, and in all other respects is unchanged from the original.

This matter comes before the Public Service Commission of South Carolina ("Commission") on the request by South Carolina Electric & Gas Co. ("SCE&G") for authority to record to its regulatory asset account certain payments totaling \$4 million to the City of Columbia ("City"), and to recover this amount through the amortization mechanism established in Order No. 2003-38, dated January 31, 2003, issued in Docket No. 2002-223-E.

In 2002, SCE&G and the City of Columbia entered into a 30-year franchise agreement for the provision of electric and gas services within the City of Columbia. In

Order No. 2002-521 issued in Docket No. 2002-145-E, the Commission approved the franchise. In the agreement, SCE&G agreed in part to make cash payments to the City and to convey to the City certain property related to SCE&G's former transit operations. Included in the real property to be conveyed was a 6.98 acre parcel of land on Huger Street. The conveyance of this real property was to occur after SCE&G performed environmental remediation on the property.

In a subsequent proceeding, the Commission approved a stipulation agreement between SCE&G and the other parties which provided for recovery of costs incurred by SCE&G to secure the franchise agreement. The Commission's order provided for an annual amortization of \$4 million, to remain in effect until all amounts related to the franchise had been recovered. However, as of May 2009, SCE&G had conveyed only a 1.1-acre portion of the Huger Street property as previously contemplated in the franchise agreement. Environmental remediation had not yet been completed on the remainder of the Huger Street property not yet conveyed. In July 2009, SCE&G entered into an agreement amending the conveyance agreement, by way of which SCE&G agreed to pay the City \$4 million as substitute consideration for the conveyance of the remaining Huger Street property, for which the City no longer has need. Because the payments are substitute consideration for the conveyance of the remainder of the Huger Street real property, SCE&G requests that we authorize it to record the payments to the regulatory asset account established for the City Franchise and to include these payments as part of the amortizable costs of the franchise. Since the payments are a substitute for the conveyance of the Huger Street property and in consideration of approval of SCE&G's

pending request along with the possible future sale of the property, the Company has agreed that any gain will accrue to the benefit of SCE&G's South Carolina retail ratepayers. The Office of Regulatory Staff has informed the Commission that it has no objection to SCE&G's request.

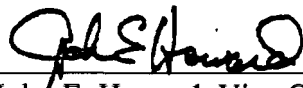
We have reviewed SCE&G's request and find that the relief requested should be granted. Accordingly, we hereby authorize SCE&G to record the payments in lieu of the conveyance of the Huger Street property to its regulatory asset account and to recover this amount through the amortization mechanism established in Order No. 2003-38, dated January 31, 2003, issued in Docket No. 2002-223-E.

This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:


Elizabeth B. Fleming, Chairman

ATTEST:



John E. Howard, Vice Chairman
(SEAL)